



**State of Louisiana**  
DIVISION OF ADMINISTRATION

**OFFICE OF STATE UNIFORM PAYROLL**

M. J. "MIKE" FOSTER, JR.  
GOVERNOR

December 14, 2000

MARK C. DRENNEN  
COMMISSIONER OF ADMINISTRATION

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2001-29

TO: All UPS Agencies

FROM: Ronald S. Mitchell  
Director

SUBJECT: New Federal Tax Rates for Calendar Year 2001

Effective payday January 12, 2001, the new Federal Tables for income tax withholding and advance earned income credit payments will be used in calculating tax deductions. We will make reference to the rate changes within the message section of the employee check stub for January 12th payday. **Due to the new tax rates for 2001, employees' net pay may change.**

Other rate changes to be aware of in 2001 are listed below:

One withholding allowance amount for a biweekly payroll period will increase to **\$111.54.**

The maximum wage base for Social Security Taxes will increase to **\$80,400.**

The maximum Social Security Tax withheld from each employee and matched by the employer will increase to **\$4,984.80.**

Continuation of **no maximum** wage base for Medicare Taxes.

IRS Publication 15, Circular E, Employer's Tax Guide, revised for 2001, has been released electronically. Agencies may not receive a copy in the mail due to all State Agencies being under one Tax ID. The entire publication is available in Adobe software on the Internet at <http://ftp.fedworld.gov/pub/irs-pdf/p15.pdf>.

Beginning January 1, 2001, the maximum allowable deferred compensation (TSLD and RT12) amount under Section 457(b)(2) of the IRS Code has changed from \$8,000 to \$8,500 per year or 25% of your salary (Gross – Retirement contribution – CAFÉ), whichever is less. As last year, the catchup will remain \$15,000 per year for those contributors who are within three years of retirement but not in the year of retirement.

If you have any questions on these matters, please contact the UPS Help Desk at (225) 342-8928.

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